

Stelis Biopharma Pvt Ltd
(Formerly Inbiopro Solutions Private Limited)

Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31.3.2015	As at 31.3.2014
		INR	INR
Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	3	20,83,260	18,01,351
(b) Reserves and Surplus	4	3130,05,681	3526,45,468
		3150,88,941	3544,46,820
(2) Non- Current Liabilities			
(a) Long-term Borrowings	5	7312,50,000	53,74,000
(b) Deferred tax Liability / (asset) - (net)	6	-	-
(c) Other Long Term Liabilities	7	1029,44,147	39,76,999
(d) Long-term Provisions	8	32,85,931	20,66,026
		8374,80,078	114,17,025
(3) Current Liabilities			
(a) Trade Payables	9	32,50,907	1094,98,229
(b) Other Current Liabilities	10	498,78,523	459,79,476
(c) Short-term Provisions	11	11,90,451	2,55,782
		543,19,881	1557,33,487
TOTAL		12068,88,899	5215,97,332
Assets			
(1) Non-Current Assets			
(a) Fixed assets	12		
(i) Tangible assets		3109,99,328	792,93,731
(ii) Intangible assets		12,26,656	-
(iii) Capital Work in Progress		5676,54,992	3680,31,113
(b) Non Current Investments	13	2679,17,550	172,73,850
(c) Long-Term Loans and Advances	14	81,89,319	21,70,872
(d) Others	15	5,98,085	215,87,849
		11565,85,931	4883,57,415
(2) Current assets			
(a) Current Investments	16	1,741	
(b) Inventories		59,31,716	133,06,182
(c) Cash and Cash Equivalents	17	259,55,955	150,54,506
(d) Short-term Loans and Advances	18	184,13,557	48,79,230
		503,02,968	332,39,917
TOTAL		12068,88,899	5215,97,332

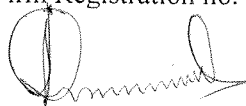
See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Gnanoba & Bhat

Chartered Accountants

Firm Registration no. 000939S



R Umesh

Partner

Mem. No. 027892





Dr. Durgaprasad Annavajjula

Director

DIN : 02447566



Joe Thomas

Director

DIN: 00468077

Place :Bangalore

Date: 19.05.2015

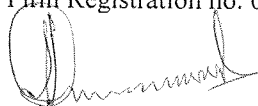
Stelis Biopharma Pvt Ltd
(Formerly Inbiopro Solutions Private Limited)

Profit and Loss Statement for the year ended 31st March, 2015

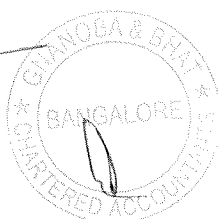
S.No.	Particulars	Note	For the year ended 31.3.2015	For the year ended 31.3.2014
			INR	INR
I	Revenue from Operations		-	-
II	Other Income	19	35,21,619	2,20,105
III	Total Revenue (I + II)		35,21,619	2,20,105
IV	Expenses			
	Cost of Materials Consumed	20	-	-
	Employee Benefits Expense	21	303,22,190	151,84,198
	Finance Costs	22	221,94,730	7,43,158
	Depreciation and amortization expense	12	336,03,804	(93,20,990)
	Other Expenses	23	539,74,115	225,87,168
	Total Expense (IV)		1400,94,838	291,93,534
V	Prior Period expenses			20,61,412
VI	Profit Before Tax (III-IV-V)		(1365,73,219)	(310,34,840)
VII	Tax Expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	8,53,980
VIII	Profit/(Loss) for the period after tax (VI-VII)		(1365,73,219)	(318,88,820)
IX	Earnings per Equity Share:			
	(1) Basic and Diluted		(690.10)	(177.03)

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For Gnanoba & Bhat
Chartered Accountants
Firm Registration no. 000939S



R Umesh
Partner -
Mem. No. 027892




D. Durgaprasad Annavajjula
Director
DIN : 02447566



Joe Thomas
Director
DIN: 00468077

Place :Bangalore
Date: 19.05.2015

Stelis Biopharma Pvt Ltd
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March, 2015

Note - 3:

Particulars	As at 31.3.2015		As at 31.3.2014	
	No. of Equity Shares	Amount (INR)	No. of Equity Shares	Amount (INR)
(a) Share Capital				
(i) Authorised Capital:				
- Equity Shares of Rs. 10/- each with voting rights	35,00,000	350,00,000	35,00,000	350,00,000
Total	35,00,000	350,00,000	35,00,000	350,00,000
(ii) Issued				
- Equity Shares of Rs. 10/- each	2,08,326	20,83,260	1,95,771	19,57,710
Total	2,08,326	20,83,260	1,95,771	19,57,710
(iii) Subscribed and fully paid up				
- Equity Shares of Rs. 10/- each			75,495	7,54,950
(iv) Subscribed and fully paid up				
- Equity Shares of Rs. 10/- each, Rs. 10/- paid up (previous year - Rs. 8.70/- paid up)	2,08,326	20,83,260	1,20,276	10,46,401
(v) Advance against share call towards share application				
Total	2,08,326	20,83,260	1,95,771	18,01,351

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.3.2015		As at 31.3.2014	
	No. of Equity Shares	Amount (INR)	No. of Equity Shares	Amount (INR)
Balance at the Beginning of the period	1,95,771	18,01,351	1,95,771	11,87,944
Add: Issued/ called-up equity share capital during the year	12,555	2,81,909	-	6,13,408
Shares outstanding at the end of the period	2,08,326	20,83,260	1,95,771	18,01,351
Advance against share call towards share application				-
Total	2,08,326	20,83,260	1,95,771	18,01,351

(c) Rights, Preferences and restrictions attached to shares:

All the equity shares including DVR equity share rank pari passu and bear equivalent voting and dividend right subject to become fully paid-up.

(d) Shares held by Holding Company:

Particulars	As at 31.3.2015		As at 31.3.2014	
	No of Equity shares	% of holding	No of Equity shares	% of holding
Strides Arcolab Ltd - Holding Company:	2,08,326	100%	1,95,771	100%

(e) Details of shareholders holding more than 5 % of the aggregate shares in the Company

Particulars	As at 31.3.2015		As at 31.3.2014	
	No of Equity shares	% of holding	No of Equity shares	% of holding
Strides Arcolab Ltd - Holding Company with 2 nominee shareholders	2,08,326	100%	1,95,771	100%

(f) Details of Unpaid capital

Particulars	As at 31.3.2015		As at 31.3.2014	
	No. of Shares	INR	No. of Shares	INR
Equity Shares				
Aggregate of unpaid capital Strides Arcolab Ltd - Holding Company:	-	-	1,20,276	1,56,359

Stelis Biopharma Pvt Ltd
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Notes on Financial Statements for the year ended 31st March, 2015

Note 4

Reserves & Surplus

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Securities Premium Account		
Opening Balance	4889,67,693	2346,81,100
Add / (Less) : Addition to Securities Premium during the Year	1458,50,833	2542,86,593
Net deficit arising on account of merger	(1848,80,563)	-
Total	4499,37,963	4889,67,693
Profit and Loss Account		
Opening Balance:	(1363,22,224)	(1044,33,404)
Add: Loss for the period	(1365,73,219)	(318,88,820)
Less: Charged to Securities Premium Account on Merger- See Note No. 31)	1363,22,224	
Act,	(3,59,063)	-
2013 on tangible fixed asset with nil remaining useful life		
Total	(1369,32,282)	(1363,22,224)
Total of Reserves and Surplus	3130,05,681	3526,45,468

Note 5

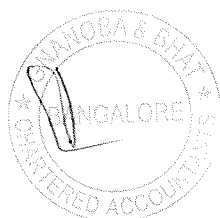
Long Term Borrowing

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Loan from Department of Biotechnology	-	43,00,000
Loan from Export Import Bank of India	7312,50,000	
Grant from Department of Biotechnology	-	10,74,000
Advance against share call money	-	-
Total	7312,50,000	53,74,000

Terms of Repayment - The loan is repayable in 18 quarterly stepped installments from March 2016. The rate of interest charged is 300 basis points above the bank's Long Term Minimum Lending Rate which translates to about 12.90% per annum.

Nature of Security - The said loan is secured by hypothecation of entire moveable assets of the Company including current assets, both present and future and all intangible assets.

Other Terms - The loan has been provided by corporate guarantees of Inbiopro Solutions Private Limited (renamed as Stelis Biopharma Private Limited) and Strides Arcolab Limited (Ultimate Holding Company). In addition, the loan is secured by pledge of the Company's shares held by Inbiopro Solutions Private Limited (renamed as Stelis Biopharma Private Limited) and a Pari-Passu first charge over the assets of Inbiopro Solutions Private Limited (renamed as Stelis Biopharma Private Limited).



Stelis Biopharma Pvt Ltd
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March, 2015

Note 6

Deferred Tax Liability

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Tax effect of items constituting Deferred Tax Liability		
On difference in Depreciation of block of Fixed Asset as per Tax books and finance books	99,34,781	67,58,561
	99,34,781	67,58,561
Tax effect of items constituting Deferred Tax Asset		
Provision for Gratuity	84,484	65,963
Provision for Leave encashment	2,83,063	1,49,161
Provision for Bonus	7,638	39,021
On account of brought forward losses	716,38,472	65,31,416
	720,13,657	67,85,561
Deferred Tax Liability / (Asset) - (Net)	(620,78,876)	-

Note: Deferred Tax Asset (net) attributable to unabsorbed tax losses and depreciation to the extent of Rs. 620.79 lacs has not been recognised on grounds of prudence

Note 7

Other Long Term Liabilities

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Advance from Customers	39,76,999	39,76,999
Payable to Holding Company (Strides Arcolab Limited)	989,67,148	-
Total	1029,44,147	39,76,999

Note 8

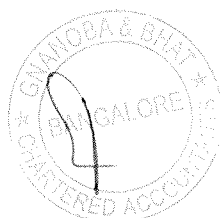
Long-term Provisions

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Provision for Employee Benefits		
Gratuity	19,44,668	13,26,063
Provision for Leave Encashment	13,41,263	7,39,963
Total	32,85,931	20,66,026

Note 9

Trade Payables

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Trade Creditors	32,50,907	15,95,838
Dues from related parties - -Stelis Biopharma Private Limited (wholly owned subsidiary)	-	1079,02,391
	32,50,907	1094,98,229



Stelis Biopharma Pvt Ltd
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Notes on Financial Statements for the year ended 31st March, 2015

Note 10

Other Current Liabilities

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Current Maturities of Long-term Debt		
- Export Import Bank of India	187,50,000	-
- Department of Biotechnology	43,00,000	-
Grant from Department of Biotechnology	10,74,000	-
Payables on purchase of capital goods	106,35,199	392,86,525
Statutory Dues Payable	51,23,908	33,13,404
Expenses Payable	97,92,918	33,79,547
Interest accrued but not due	2,02,498	-
Total	498,78,523	459,79,476

Note 11

Short-term Provisions

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Provision for Employee Benefits		
Gratuity	1,32,055	80,855
Leave Encashment	9,00,896	1,74,927
Other Employee Benefits (Leave Travel Allowance)	1,57,500	-
Total	11,90,451	2,55,782

Note 13

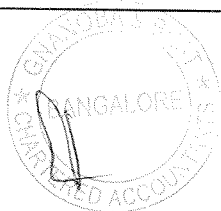
Non-Current Investments

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Investments (At Cost) - Trade (Unquoted)		
Investment in Equity of Subsidiaries		
- 23,750 equity shares of Rs. 10/- each fully paid-up in Stelis Biopharma Private Limited	-	172,73,850
83,21,375 shares (previous year - 12 shares) in Stelis Biopharma (Malaysia) SDN BHD	2679,17,550	
Total	2679,17,550	172,73,850

Note 14

Long-Term Loans & Advances

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Balances with Government Authorities		
Unsecured, Considered good		
- Customs Duty Advance	13,01,295	8,00,123
- Deposits	3,48,561	9,36,302
- Advance Income Tax paid (net of provision)	19,67,846	4,34,447
Balance with Revenue Authorities:		
- Value added tax, Service tax and Tax deducted at source	45,71,618	-
Total	81,89,319	21,70,872






Stelis Biopharma Pvt Ltd
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March, 2015

Note 15

Non Current Assets -Others

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
Advance for purchase of Fixed Assets	5,98,085	215,87,849
Total	5,98,085	215,87,849

Note 16

Current Investments

Particulars	As at 31.3.2015	As at 31.3.2014
Investment in Mutual Funds	INR	INR
(At lower of Cost or Fair Value unless otherwise stated)		
SBI Premium Liquid Fund- Direct Plan - Daily Dividend	1,741	-
Total	1,741	-
- Aggregate amount of unquoted investments	-	-
- Aggregate Net Asset Value of investments in mutual funds	1,741	-
- Current investments in the nature of cash and cash equivalent	1,741	-

Note 17

Cash & Cash equivalent

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
- Cash balance on hand	1,889	990
- Balances with Banks		
In Current Accounts	205,80,065	96,79,516
In No Lien Account (see note below)	53,74,000	53,74,000
Total	259,55,955	150,54,506
Note: The above sum represents the loan availed of from Department of Bio-technology which as per the terms of sanction is to be operated through a No Lien Account		

Note 18

Short-Term Loan & Advances

Particulars	As at 31.3.2015	As at 31.3.2014
	INR	INR
(Unsecured, considered good unless otherwise stated)		
- Loan & Advances to Employees	81,837	1,00,001
- Advances to Suppliers	14,33,450	7,92,776
- Advances to Related Parties (Refer Note no. 25)	1,15,265	30,98,793
- Prepaid Expenses & others	167,83,006	8,87,660
Total	184,13,557	48,79,230



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Stelis Biopharma Pvt Ltd
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March, 2015

Note 19

Other Income

Particulars	For the year ended 31.3.2015	For the year ended 31.03.2014
	INR	INR
Training Fees		8,900
Other Interest	9,289	-
Sundry Balances written back	5,03,901	5,000
Dividend from Current Investments	28,78,657	-
Exchange Gains (Net)	1,29,772	2,06,205
Total	35,21,619	2,20,105

Note 20

Cost of Materials Consumed

Particulars	For the year ended 31.3.2015	For the year ended 31.3.2014
	INR	INR
Opening Stock	133,06,182	109,90,851
Add: Purchase	112,62,622	105,17,024
	245,68,804	215,07,875
Less: Closing Stock	59,31,716	133,06,182
Balance	186,37,088	82,01,693
Less: Transferred to Intangible Asset under development	186,37,088	82,01,693
Total Cost of Material Consumed	-	-

Note 21

Employee Benefits Expense

Particulars	For the year ended 31.3.2015	For the year ended 31.3.2014
	INR	INR
Salaries, Wages & Bonus	299,33,937	149,58,231
Contribution to Provident and Other Funds	70,127	1,39,170
Staff Welfare	3,18,125	86,797
Total	303,22,190	151,84,198

Note 22

Finance Costs

Particulars	For the year ended 31.3.2015	For the year ended 31.3.2014
	INR	INR
Bank Charges	2,58,226	39,684
Interest	219,36,504	7,03,474
Total	221,94,730	7,43,158



Stelis Biopharma Pvt Ltd
(Formerly Inbiopro Solutions Private Limited)

Notes on Financial Statements for the year ended 31st March, 2015

Note -23

Other Expenses:

Particulars	For the year ended 31.3.2015	For the year ended 31.3.2014
	INR	INR
Power and Fuel	-	2,97,834
Rent	-	4,19,829
Repairs & Maintenance		
- Machinery	20,16,204	9,61,865
Insurance	4,39,586	2,26,747
Rates & Taxes	12,53,853	9,46,762
Travelling & Conveyance	65,62,219	6,63,391
Printing and Stationery	5,39,795	2,31,068
Freight & forwarding	-	1,18,027
Payments to Auditors:		
- Statutory Audit	3,64,832	1,99,719
- for Taxation matters	1,36,950	-
- for Certification	67,545	-
Research & Development expenses	79,92,228	20,28,775
Legal & Professional Charges	111,19,858	113,49,579
Regulatory Expense	35,000	-
Communication Charges	14,26,519	64,197
Loss on Sale of Fixed Assets	35,13,637	-
Security Charges	-	15,10,613
Miscellaneous Expenses	34,85,398	9,16,955
Office Expense	10,05,175	-
Boarding & Lodging	21,45,160	-
Business Promotion	8,381	1,45,429
Commission & Brokerage	118,61,776	25,06,378
Total	539,74,115	225,87,168



Stelis Biopharma Private Limited
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Notes on Financial Statements for the year ended 31st March 2015

Note -24

Employee Benefits

Defined Contribution Plans

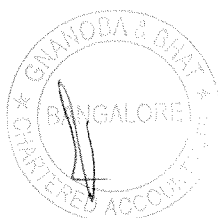
Employers' Contribution to Provident Fund

During the year, the Company has recognized the following amount in the Profit and Loss Account-

(Amount in INR)

Particulars	As at 31st March 2015	As at 31st March 2014
Employers' Contribution to Provident Fund	70,077	1,39,170

Particulars	Year ended	
	31st March 2015	31st March 2014
Gratuity		
Components of employer expense		
Current Service cost	1,81,898	2,04,622
Interest cost	1,36,258	1,93,706
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service Cost	-	-
Actuarial Losses/(Gains)	3,51,649	(9,87,987)
Total expense recognised in the Statement of Profit & Loss	6,69,805	-5,89,659
Actual Contribution and Benefits Payments for the year		
Actual benefit payments	-	-
Actual Contributions	-	-
Net liability recognised in balance sheet		
Present value of Defined Benefit Obligation	20,76,723	14,06,918
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	-	-
Unrecognized Past Service Costs	-	-
Net liability recognised in balance sheet	20,76,723	14,06,918
- Non-current portion	19,44,668	13,26,063
- Current portion	1,32,055	80,855
Change in Defined Benefit Obligations during the year		
Present Value of DBO at beginning of period	14,06,918	19,96,577
Current Service cost	1,81,898	2,04,622
Interest cost	1,36,258	1,93,706
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Actuarial (gains)/ losses	3,51,649	(9,87,987)
Benefits paid	-	-
Present Value of DBO at the end of period	20,76,723	14,06,918
Change in Fair Value of Assets during the year		
Plan assets at beginning of period	-	-
Acquisition Adjustment	-	-
Actual return on plan assets	-	-
Actual Company contributions (less risk premium, ST)	-	-
Benefits paid	-	-
Plan assets at the end of period	-	-



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Stelis Biopharma Private Limited
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Notes on Financial Statements for the year ended 31st March 2015

Actuarial Assumptions		
Discount Rate	7.90%	9.00%
Expected Return on plan assets	0.00%	0.00%
Salary escalation P.A	10.00%	10.00%

Actuarial Assumptions for Long-term Compensated Absence

Actuarial Assumptions		
Discount Rate	7.80%	9.00%
Salary escalation Rate	10.00%	10.00%
Attrition Rate	15.00%	15.00%
Charge In the Profit and Loss account - Rs.	3,04,826	2,81,167
Liability at the year end - Rs.	15,70,964	9,14,890

Note: The estimates and rate of escalation in salary considered in actuarial valuation take into consideration inflation, seniority, promotion and other relevant factors such as employment market conditions. These figure are as certified by an actuary.

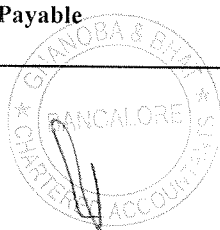
Note - 25

Related Party Disclosures

Party where the Control Exists	Name of Related Party
Holding Company (w.e.f. 18.03.2014)	Strides Arcolab Ltd
Holding Company (upto 18.03.2014)	Agila Specialties Private Limited
Wholly Owned Subsidiary	Stelis Biopharma Malaysia Sdn Bhd
Key Management Personnel – Director	Joe Thomas
Key Management Personnel – Director	Dr. Durgaprasad Annavajjula

SI No	Nature of Transaction		Amt in INR		
			Holding Company	Wholly Owned Subsidiary	Key Management Personnel
1	Advance Against Share Call	2015	-	-	-
		2014	-	-	-
2	Investment in Equity	2015	1461,32,742	1006,68,750	-
		2014	2549,00,000	-	-
3	Purchase of Non-current Investments	2015	-	-	-
		2014	172,73,850	-	-
4	Loans & Advances - Taken / Repaid (net)	2015	215,91,230	395,87,134	-
		2014	41,08,238	180,91,179	-
		2015	45,73,417	-	-
		2015	-	-	-
6	Share application money refunded	2015	653,47,268	-	-
		2014	-	-	-
6	Purchase of Assets	2015	-	-	-
		2014	-	189,42,076	-
7	Guarantee Commission paid	2015	107,88,247	-	-
		2014	-	-	-
8	Reimbursement of Expenses incurred on behalf of	2015	-	630,33,713	-
		2014	35,84,000	-	-
9	Reimbursement for Expenses incurred by	2015	1340,01,019	-	-
		2014	14,04,509	1070,51,494	-

10	Balances Outstanding:				
	a) Receivable	2015	-	1,15,265	-
		2014	30,98,793	-	-
	b) Payable	2015	989,67,148	-	-
2014		-	1079,02,391	-	



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Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March 2015

Note - 26

Earnings Per share

Particulars	Year ended	
	31st March 2015	31st March 2014
Net Profit after Tax	(1365,73,219)	(318,88,820)
Weighted average number of equity shares (No.s)	1,97,904	1,80,135
Earnings/(Loss) per share	(690.10)	(177.03)
Nominal Value of Equity Shares	10.00	10.00

Note - 27

Leases

The Company had taken premises on lease basis which has been terminated effective March 2015

Details of Leasing Arrangements	Year ended	
	31st March 2015	31st March 2014
Minimum lease payments debited to Rent account	158,51,625	3,07,400
Future Minimum lease Payments;		
- Not later than one year	109,49,301	-
- Later than one year and not later than 5 years	609,48,933	-
- Later than five years	322,84,596	-

Note -28

Based on the information with the Company, there are no suppliers who are registered as micro, small or medium enterprises under The Micro, Small and Medium Enterprises Act, 2006 as at 31st March 2015.

Note -29

Disclosure of Foreign Currency Exposure

Foreign Currency Exposure as at March 31, 2015 that have not been hedged by a derivative instrument or other wise:

Particulars	As at 31st March 2015		As at 31st March 2014	
	Amount (INR)	Amount - Foreign Currency	Amount (INR)	Amount - Foreign Currency
Payable				
- USD	62,40,115	99,708	125,97,286	2,09,466
- Euro	-	-	52,83,309	63,540
- GBP	-	-	12,188	154
Total	62,40,115	99,708	178,92,784	-

Note -30

Expenditure in foreign currency	As at 31st March 2015 (INR)	As at 31st March 2014 (INR)
Import of Capital goods	320,26,077	431,98,730
Import of Chemicals & Consumables	91,88,540	11,16,049
Import of Services	220,98,494	31,44,197
Total	633,13,110	474,58,976



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Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March 2015

Note -31

Scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956, read with section 52 of the Companies Act, 2013

The Board of Directors of the company in their meeting held on 15th April 2014 approved the scheme of amalgamation ("The Scheme") u/s 391 to 394 of the Companies Act, 1956, read with section 52 of the Companies Act, 2013, of its subsidiary viz. Stelis Biopharma Pvt Ltd ("Transferor Company") with itself.

The Scheme was approved by the High Court of the Judicature with an appointed date of 1st April 2014 and the Scheme became effective on 10th November 2014 i.e. the date on which the certified copy of the Court Order was filed with the Registrar of Companies, Karnataka. In terms of the scheme and upon the scheme being effective, the following accounting treatment was adopted.

The Company has adopted the Pooling of Interests Method of accounting as prescribed under AS-14 issued by the Institute of

Chartered Accountants of India read with Sec 133 of The Companies Act, 2013 which inter alia provides for the following:

1. All the assets and liabilities recorded in the books of account of the Transferor Company have been recorded by the transferee Company at their respective book values.
2. The identity of the reserves of the Transferor Company, have been preserved and reflected in the financial statements of the Company in the same form and manner in which they appeared in the financial statements of the Transferor Company prior to this scheme becoming effective.
3. The net deficit arising consequent to the recording of the assets, liabilities and reserves of the Transferor Company in the books of the Company and the cancellation of the investments, have been adjusted to the Securities Premium Account, as per the Scheme approved by the Court.
4. In giving effect to the above accounting entries, the inter Company balances, amounts or investments between the Transferor Company and the Company have been cancelled.

Accordingly, the assets and liabilities of the transferor Company have been accounted in the books of the Company at the following values:

Particulars	Amount INR
Assets	5024,85,962
Liabilities	5337,70,449
Net Assets acquired	(312,84,486)
Less: Carrying value of investments in transferee company	172,73,850
Less: Balance in Profit and Loss Account of the Company	1363,22,224
Net Deficit charged to Securities Premium Account	(1848,80,561)

Note -32

Previous Period Comparatives

The Financials have been prepared in accordance with Revised Schedule VI format and the previous year's figures have been reclassified to conform to the current year's classification

By Order of the Board of Directors

for Stelis Biopharma Private Limited
(formerly Inbiopro Solutions Private Limited)



Dr. Durjaprasad Annavajjula
Director
DIN :02447566



Joe Thomas
Director
DIN :00468077

Place : Bangalore
Date : 19.05.2015



Stedis BioPharma Pvt Ltd
(formerly InbioPro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March 2015
Fixed Assets Schedule as at 31.03.2015

SI No	Asset Description	Gross Block					Depreciation Block							Net Block			
		Cost as at 01.4.2014	Additions during the period	On account of Merger at Book value Ref Note (a) below	Deletions during the period	Asset Class transfer	At 31.3.2015	Balance as at 01.4.2014	On account of Merger at Book value Ref Note (a) below	Depreciation for the period	Deletions	Asset Class transfer	Depreciation charged to retained earnings	Balance as at 31.3.2015	At 31.3.2015	As at 31.3.2014	
I	Tangible																
1	Building	-	448,81,814	-	-	-	448,81,814	-	39,56,606	-	-	-	39,56,606	-	409,25,208	-	
2	Plant and Equipments	893,03,357	2093,81,813	3,73,010	(5,67,969)	2951,51,874	142,32,539	37,111	259,56,686	14,53,529	(4,76,458)	90,458	383,86,807	2567,65,067	750,70,818		
3	Books	1,37,760	-	-	1,37,760	38,27,336	1,37,760	-	-	1,37,760	-	-	7,49,303	30,78,033	-		
4	Office Equipments	34,80,585	58,95,173	58,200	32,000	95,52,154	17,31,698	-	7,29,341	12,038	32,000	-	40,48,039	55,04,115	-		
5	Computers	36,34,184	48,64,524	1,92,080	15,684	52,98,009	11,60,157	88,618	19,74,802	15,684	-	2,68,605	5,71,104	47,26,905	17,48,887		
6	Furniture and Fixtures	965,55,886	2687,85,460	6,23,290	32,00,699	52,98,009	172,62,154	-	8,14,526	14,03,579	-	-	5,71,104	47,26,905	24,74,027		
	Total																
II	Intangible																
7	Software licences	-	13,06,987	-	-	18,42,956	-	-	1,71,842	-	4,44,458	-	6,16,300	12,26,656	-		
8	Technical Know How	127,45,973	-	-	-	127,45,973	127,45,973	-	-	-	-	-	127,45,973	-	-		
	Total																
	Grand Total																
	Capital Work in Progress	1093,01,859	2700,92,447	6,23,290	-	3733,00,116	300,08,127	1,25,729	336,03,804	30,22,590	4,44,458	3,59,063	610,74,132	3122,25,984	792,93,732		
III	Capital Process Development																
9	Product Process Development	2181,71,364	3494,83,628	-	-	5676,54,992	-	-	-	-	-	-	-	5676,54,992	2181,71,364		
10	Projects	1498,59,749	6195,76,075	-	1498,59,749	9409,55,108	-	-	-	-	-	-	-	8798,80,976	1498,59,749		
	Total																
	Gross Total																
	Previous Year 2013-14	1872,44,212	2900,88,759	6,23,290	1565,77,229	4773,32,971	300,08,127	1,25,729	336,03,804	30,22,590	-	3,59,063	610,74,132	4473,24,844	1479,15,095		

Notes:

- (a) Pursuant to a Scheme of Amalgamation, a subsidiary of the Company has been merged effective from April 1, 2014 upon which assets have been carried over at Book Value (refer Note to Accounts No-31)
- (b) Additions to plant and equipment includes interest on borrowings Rs. 115,46 lacs capitalised as per Accounting Standard-16 'Borrowing Cost'
- (c) Additions to Capital work in progress includes interest on borrowings Rs. 558,65 lacs (previous year Rs 71,51 lacs) capitalised as per Accounting Standard-16 'Borrowing Cost'



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Stelis Biopharma Private Limited (Formerly Inbiopro Solutions Private Limited)

Cash Flow Statement For The Year Ended 31st March 2015

(Amounts in INR)

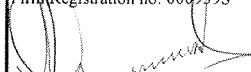
Particulars	For the year ended		For the year ended	
	31 March, 2015		31 March, 2014	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(1365,73,219)		(310,34,840)
<i>Adjustments for:</i>				
Depreciation and amortisation	336,03,804		(93,20,990)	
Miscellaneous expenditure written off	-		1,329	
(Profit) / loss on sale / write off of assets	35,13,637		-	
Finance costs	219,36,504		7,43,158	
Dividend income	(28,78,657)			
Interest income	(9,289)			
Liabilities / provisions no longer required written back	(5,03,901)		(5,000)	
		556,62,097		(85,81,503)
Operating profit / (loss) before working capital changes		(809,11,122)		(396,16,343)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	73,74,466		(23,15,331)	
Trade receivables	-			
loans and advances	1362,93,548		(34,26,148)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables and Liabilities	(1673,40,736)		(199,15,642)	
		(236,72,722)		(256,57,121)
		(1045,83,844)		(652,73,464)
Cash flow from extraordinary items		-		-
Cash generated from operations		(1045,83,844)		(652,73,464)
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) operating activities (A)		(1045,83,844)		(652,73,464)
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advance	(3904,62,830)		(1455,45,616)	
Bank balances not considered as Cash and cash equivalents			(53,74,000)	
Proceeds from sale of Current investments	1413,36,223			
Investment in / Purchase of long-term investments	(1006,68,750)		(172,73,850)	
- Subsidiaries				
Interest received	9,289			
Dividend received	28,78,657			
		(3469,07,411)		(1681,93,466)
Net cash flow from / (used in) investing activities (B)		(3469,07,411)		(1681,93,466)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	1461,32,742		2310,00,000	
Share application money received / (refunded)				
Proceeds of long-term borrowings	3300,00,000		53,74,000	
Finance cost	(217,34,006)		(7,43,158)	
		4543,98,736		2356,30,842
Net cash flow from / (used in) financing activities (C)		4543,98,736		2356,30,842
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		29,07,481		21,63,912
Cash and cash equivalents at the beginning of the year		96,80,506		75,16,594
<i>Cash and Bank balance transfer on account of Merger</i>		79,93,968		
Cash and cash equivalents at the end of the year		205,81,955		96,80,505
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		259,55,955		150,54,506
Less: Bank balances not considered as Cash and cash equivalents as defined in		53,74,000		53,74,000
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		205,81,955		96,80,506
Add: Current investments considered as part of Cash and cash equivalents (as				-
Cash and cash equivalents at the end of the year *		205,81,955		96,80,506
* Comprises:				
(a) Cash on hand		1,889		990
(b) Balances with banks - in current accounts		205,80,065		96,79,516
		205,81,955		96,80,506

In terms of our report attached

for Gnanoba & Bhat

Chartered Accountants

Firm Registration no. 000939S



R Umesh

Partner

Mem.No. 027892

Place :Bangalore

Date: 19.05.2015



For and on behalf of the Board



Dr. Durgaprasad Annavaajjula

Director

DIN : 02447566



Joe Thomas

Director

DIN: 00468077

STELIS BIOPHARMA PRIVATE LIMITED (FORMERLY INBIOPRO SOLUTIONS PRIVATE LIMITED)

Notes on Financial Statements for the year ended 31st March,2015

1. Company Information

Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited) was incorporated in the state of Karnataka on June 12, 2007 with the object of providing biotechnology process development services for healthcare industries. The Company is a wholly owned subsidiary of Strides Arcolab Limited.

The Company's newly set up Research and Development facility was commissioned at Bommasandra on 1st July 2014. During the year, the Company's erstwhile facility at Peenya Industrial Area was also relocated to the above facility.

2. Significant Accounting Policies

A. Basis For Preparation Of Financial Statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis.

B. Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on 'First In First Out' (FIFO) basis. The cost of goods comprises of the purchase cost, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

D. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the available information.

E. Fixed Assets And Depreciation

Tangible Assets:

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price (less any refundable duties and taxes) and any attributed cost of



bringing the asset to its working condition for its intended use.

During the current financial year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of its assets to align the useful life with those specified in Schedule II.

The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 83.87 lakhs consequent to the change in the useful life of the assets.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 3.59 lacs against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

In respect of certain assets, the useful life assessed internally by the Company's Management / technical team differs from that specified in Schedule II of the Companies Act, 2013. In all such cases, appropriate documentation of the technical evaluation with justifications for the same has been maintained.

Capital Work-in-progress

Projects under which assets are not ready for its intended use and other Capital Work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributed finance costs.

Intangible Assets:

Expenditure incurred on Intangible Assets developed by the company, post research stage is recognised as an asset, if and only if the future economic benefits attributable are probable to flow to the Company and costs can be measured reasonably.

The Cost of Technical Know-how developed is being amortised equally over its estimated life.

With effect from 1.1.2011, direct operating expenses incurred on product development have been treated as Capital Work-in-progress, and will be capitalized as Technology Know-how, on completion of certain technical milestones. These costs are in the nature of development of products, which have the potential to be exploited commercially and hence can generate future economic benefit.

F. Revenue Recognition

Revenue with respect to bio-technology process development services are recognised based on milestone deliverables delivered to customers. Interest on Fixed Deposits as well as income from training is recognised on accrual basis.

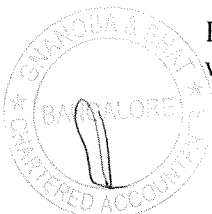
G. Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported



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using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year are recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India are charged to the Profit and Loss account.

H. Investments

Long-term (non-current) investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

I. Employee Benefits

- i. Retirement benefits in the form of Provident Fund and Pension Schemes are charged on an accrual basis to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner.
- ii. Gratuity liability is a defined benefit obligation and is provided based on an actuarial valuation carried out as the end of the fiscal year using the Projected Unit Credit Method, with the actuarial valuation being carried out at each balance sheet. The liability is not funded.
- iii. Provision for Leave Encashment has been made based on an actuarial valuation carried out as the end of the fiscal year with the actuarial valuation being carried out at each balance sheet. The liability is not funded.

J. Borrowing Costs

Borrowing costs towards interest on borrowing related to acquisition for qualifying assets pertaining to the period from the commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the asset.

K. Preliminary Expense

Preliminary expenses relate to the incorporation expenses of the company and such preliminary expenses are being written off equally over a period of five years from the date of commencement of commercial operations.

L Taxes

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Minimum alternate tax paid in accordance with the tax laws, which gives future economic benefits in the nature of adjustments to the future income tax liability is considered an asset if there is convincing evidence that the Company will pay normal tax in future.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per



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financial statements. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted or substantively enacted by the Balance Sheet Date.

Deferred Tax Asset as of previous year has not been recognised on the grounds of prudence since there is no virtual certainty of the future profits over the near foreseeable future as the products will be in development stage.

M. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

N. Research and Development Expense

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to statement of profit and loss unless a product's technological feasibility and commercial viability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policy stated for tangible fixed assets and intangible fixed assets.

O. Provisions


A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

P. Impairment of assets

An asset is treated as impaired with the current carrying cost of the same exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting periods is reversed if there is any change in the estimate of recoverable amount. The recoverable amount is the greater of the net selling price or the value in use.

For and on behalf of the Board

**Place : Bangalore
Date: 19 May 2015**


**Dr. Durgaprasad Annavajjula
Director**


**Joe Thomas
Director**

